



# Rejecting 'Violence,' China Vows a 'Positive' Korea Role

By Patrick E. Tyler  
New York Times Service

BELIJNG — China said Sunday that it still believed that United Nations sanctions against North Korea would be ineffective and warned against using "violence" in trying to end Pyongyang's nuclear weapons program, a Japanese spokesman said after a meeting between the Chinese and Japanese foreign ministers.

At the same time, the Chinese foreign minister, Qian Qichen, told his Japanese counterpart that Beijing would play a positive and constructive role in the coming Security Council debate over punitive measures aimed at forcing North Korea to give up its nuclear program, the spokesman said.

The Japanese foreign minister, Koji Kakizawa, did not press Chinese officials in two and a half hours of talks on whether

Beijing would use its veto to block a resolution on sanctions in the Security Council, the spokesman said.

"We did not come here expecting a detailed discussion with China on what measures are to be taken at the United Nations," the spokesman said.

He said one purpose of his trip "was to stress the importance of China's role" as the nation best suited to "transmit the atmosphere of the international community in the best manner" to the government of President Kim Il Sung.

In its account of the meeting, China said sanctions "could only intensify the contradictions and even lead to results that all parties would not like to see."

The official Xinhua press agency also reported that Mr. Qian had expressed regret that the board of the International Atomic Energy Agency had voted to end its technical assistance to North Korea in

response to Pyongyang's refusal to allow inspections.

"We appeal to the parties concerned to make efforts to open dialogue, mitigate contradictions and seek a way of settling the problem step by step," Mr. Qian was quoted as saying.

The visit by Mr. Kakizawa, after an agreement by the United States, Japan and South Korea to press ahead with a graduated set of sanctions in the Security Council, reinforced the image that China was going to remain engaged in the United Nations debate while continuing to express reservations about the use of sanctions.

"The Chinese told us they have been making a variety of contacts," the Japanese spokesman said of Beijing's diplomacy toward North Korea. "Mr. Qian Qichen told us that applying sanctions to North Korea would be ineffective judging from the fact

that it has been already isolated and has little economic contacts with the rest of the world."

The spokesman also referred to China's "behind the curtains" role of carrying on a dialogue with the North Korean government. That dialogue came into sharper focus last week as President Jiang Zemin was host in Beijing to the chief of staff of North Korea's army, Choi Kwang. It was the highest level visit by a North Korean official since the nuclear crisis began more than a year ago.

"China deems it an unsinkable policy to strengthen and develop the blood-bound friendship between the two countries," Mr. Jiang was quoted as saying by the official China Daily.

■ "War Talk" by U.S. Charged

North Korea blamed the United States

on Sunday for trying to heighten the crisis over the inspection of Pyongyang's nuclear installations with war talk, Reuters reported from Tokyo.

"The United States is now clamoring for a pre-emptive strike against North Korea's nuclear installations, the Rodong Sinmun, the organ of North Korea's ruling Communists, reported Sunday.

Rodong Sinmun said the North had done all it could and would continue its "peaceful nuclear activities."

In a separate dispatch, North Korea criticized a resolution passed last week by the U.S. House of Representatives urging sanctions against Pyongyang.

In a third article, the news agency said U.S. forces in the South were inciting war fever by showing Patriot missiles to the South Korean public.

## WORLD BRIEFS

### Tony Blair Runs for U.K. Labor Post

LONDON (LAT) — Tony Blair, the domestic affairs spokesman for the opposition Labor Party, has formally entered the race to be the party's next leader.

Mr. Blair, 41, who represents the "modernization wing" of the party, immediately became the favorite to win the post in a party vote next month. The other candidates are John Prescott, Labor's employment spokesman; Margaret Beckett, the party's deputy leader; and Dennis Davies.

A lawyer who attended Oxford University, Mr. Blair is seen by political observers as the candidate who can best present the modern face of the Labor Party and win votes among Conservative and Liberal Democrats in the next general election to be held by 1997.

### U.S. to Renew Efforts on Mideast

JERUSALEM (AP) — Secretary of State Warren M. Christopher will visit the Middle East later this month in a fresh effort to break the impasse in the Israeli-Syrian peace talks, Israel radio said Saturday.

A government official confirmed that Mr. Christopher would arrive in Israel June 22 and stay for two days. The official said he didn't know on the remainder of Mr. Christopher's itinerary in the Middle East.

In his last trip to the region in early May, Mr. Christopher was unable to end the Israeli-Syrian deadlock. At the time, he delivered to President Hafez Assad of Syria an Israeli proposal for withdrawal over several years from the Golan Heights, which Israel captured in the 1967 Middle East War. The Israeli plan did not include a pledge to withdraw from all of the Golan, as Mr. Assad demands.

### Libel Trial by Accused Collaborator

BORDEAUX (Reuters) — Maurice Papon, the last Frenchman accused of crimes against humanity yet to be brought to trial, will go to court on Monday in a libel case that he lodged against a lawyer-activist who wrote a book about him.

The hearing is a part of Mr. Papon's lawsuit against Gerard Boulanger, whose recent book "Maurice Papon: A French Bureaucrat in Collaboration" is filled with allegations against the former Paris police chief during the presidency of Charles de Gaulle.

Mr. Papon, 83, is accused of sending 1,650 Jews, including 223 children, to death as the second-ranking civil servant in the Bordeaux region during the Nazi occupation.

### U.S. Veterans Mark Battle of Bulge

BASTOGNE, Belgium (Reuters) — Five hundred American veterans on Sunday commemorated one of the bloodiest battles of World War II in the hills of southern Belgium.

At a service at a monument near Bastogne, where troops of the U.S. 101st Airborne Division were surrounded by advancing German forces, U.S. and Belgian officials laid flowers in bright sunshine in memory of those who fell in the so-called Battle of the Bulge, from mid-December 1944 to mid-January 1945. Bastogne was relieved on Dec. 26 by the U.S. 3d Army of General George S. Patton.

The Battle of the Bulge, in which the Germans surprised the Allies but failed in the attempt to take Antwerp, cost 80,000 American and 15,000 British and Canadian casualties, and more than 100,000 German.

### Mexican Rebels Reject Peace Accord

SAN CRISTOBAL, Mexico (AP) — Peasant rebels in southern Mexico have rejected a peace agreement proposed by the government in the aftermath of a New Year's Day uprising, guerrilla leaders said Sunday.

The Zapatista National Liberation Army said a cease-fire would remain in effect even though a canvas of its supporters in the state of Chiapas showed 98 percent rejecting the peace pact negotiated in March.

The group cited what it called the government's insufficient response to demands for autonomy for Chiapan Indians and for the release of political prisoners. Still, the Zapatistas said that 97 percent of their supporters said they opposed a resumption of fighting while 3 percent favored additional hostilities.

### Death Sought for Bangladesh Author

DHAKA, Bangladesh (AP) — Thousands of Muslims marched through a southern town demanding the death of a feminist author accused of criticizing the Koran, an official said Sunday.

Rewards totaling \$5,000 have been offered for the murder of Taslima Nasreen, 32, who has been in hiding since a court last week ordered her arrest after a newspaper reported she wanted Islam's holy book revised.

On Saturday, nearly 10,000 demonstrators chanting "Death to Taslima Nasreen" presented a statement to authorities in Barisal town demanding her arrest. They also demanded curbs on foreign-funded aid groups helping Bangladeshi women.

## TRAVEL UPDATE

### Protests Await British Flights to Orly

PARIS (Reuters) — Protests by French airline workers were expected to greet the first flights on Monday from London's Heathrow Airport to Paris's Orly Airport, airport officials said Sunday. Unions representing employees of the French companies Air Inter and Air Libre have called for demonstrations against flights to Orly by British Airways and its French subsidiary TAT, as well as by Air France.

France agreed on May 30 to allow British airlines to fly into Orly after British Airways, seeking to remain competitive with Air France, threatened to land there without permission. BA's threat followed a European Commission decision to open the route to foreign competition.

Orly, south of Paris, is now mainly used as the hub airport for the domestic flights of Air Inter, a subsidiary of state-owned Air France. Most international flights use Charles de Gaulle Airport at Roissy, northeast of the capital. BA already flies to Roissy but wants to land at Orly and later start services between Orly and Marseille, Toulouse and Nice, using TAT.

Eight Orly arrivals and departures to and from London have been scheduled for Monday between 9 A.M. and 10:50 P.M., Paris time, airport officials said.

The U.S. transportation secretary, Federico F. Pena, has ordered a review of the Federal Aviation Administration's handling of allegations that the Boeing 757 produces unusually strong turbulence in its wake that can be dangerous to following small aircraft. The review, on a broader scale, will examine the speed of the agency's reaction to safety-related information as well as its procedures for providing full information to the public.

A train strike in the Netherlands on Monday was expected to bring severe disruption to services and could be extended into a second day if unions and management fail to reach agreement, officials said. (Reuters)

An explosion caused a serious fire in a rail tunnel being built under the Great Belt waterway between Denmark's main islands at the mouth of the Baltic. (Reuters)

### This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

**MONDAY:** Argentina, Australia, Colombia, Gibraltar, Hong Kong, Macao, Russia, Taiwan.

**TUESDAY:** Hong Kong, Macao.

**FRIDAY:** Iceland.

Sources: J.P. Morgan, Reuters.



A defendant in the tourist killings being led from court in Hangzhou, China, after sentencing Sunday.

## China Condemns 3 in Tourist Murders

### But Relatives of Taiwanese Say Troops Are Still at Large

The Associated Press

BEIJING — In the face of a public outcry in Taiwan, a Chinese court handed down death sentences Sunday to three men convicted of robbing and killing 24 Taiwan tourists and eight Chinese.

The official Xinhua press agency quoted the court ruling as saying the "facts of the crimes were clear and the evidence was complete." It said the court ordered copies of the verdict to be given to the victims' relatives, along with the stolen money and goods.

However, in Taiwan, the relatives called the verdict a sham and said they believed the killers to be still at large. Many relatives believe unofficial reports, denied by Beijing.

ing that Communist soldiers were involved in the March 31 killings.

The killings provoked the worst crisis in China-Taiwan relations since the two sides opened trade and tourism links in 1987.

Taiwan is considered a Chinese province, but has been politically separated from the country since the Nationalist government took haven there in 1949 after being routed by the Communists on the mainland.

Chung Shu-fang, whose husband, Kao Ming-hsiang, was among those killed, said in a telephone interview that relatives will press Taiwan's government to seek justice.

The tourists were on a cruise on Thousand Islands Lake in eastern Zhejiang Province when they and the crew were killed. The police found the bodies in the cabin of the boat, which was badly charred, and initially proclaimed that they were victims of an accidental fire.

Only after an outcry from Taiwan and a costly boycott by Taiwanese travel agencies did Chinese police acknowledge that the group had been robbed and murdered.

They arrested three local men.

The trial began Friday in Hangzhou, the capital of Zhejiang, China, but the three confessed trade and tourism links in 1987.

The news agency said in announcing the verdict that the defense lawyers appealed for lenient treatment but that the court decided the crimes "were very serious and cruel and caused great harm to society."

The authorities invited relatives of the victim to attend, but they declined because they were not allowed to bring lawyers and Taiwanese legislators.

In addition, the relatives were incensed by their treatment when they went to China in April to claim the bodies. They said they were followed, barred from seeing the body and pressured into allowing the bodies to be cremated.

Taiwan newspapers called Chinese authorities callous and secretive, and President Lee Tung-hui of Taiwan said the government of China was acting "like bandits" — an epithet not used between the two sides in years.

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# THE AMERICAS / AMERICA SURPRISE

## State of Emergency Is Declared in Haiti Action Follows New Sanctions

Compiled by Our Staff From Dispatches

**PORT-AU-PRINCE**, Haiti — Haiti's military-backed provisional president declared a state of emergency early Sunday, saying the Caribbean nation faced "extreme danger" and possible "invasion and occupation."

"Our country is faced with extreme danger, denigrated, ridiculed, humiliated, strangled," Emile Jonassaint said in a broadcast address. "Haiti now risks invasion and occupation."

"A state of emergency is declared taking effect immediately," he said, adding that he had ordered the military to prepare "to ensure our survival."

The address by Mr. Jonassaint followed President Bill Clinton's announcement in Washington last Friday of new measures to further isolate Haiti's military leaders and force them to step down.

The measures include a cutoff of U.S. commercial air traffic to Haiti beginning June 25 and a ban on financial transactions. Mr. Clinton and senior American officials have also said they could not rule out the use of force to restore the democratically elected president, the Reverend Jean-Bertrand Aristide, ousted in a September 1991 coup.

William Gray, Mr. Clinton's special envoy to Haiti, said Sunday on an ABC News television program that the declaration of a state of emergency was not worth much.

"I do not know what that is about," Mr. Gray said, noting that it took place at 2 A.M. on a Sunday when most people were sleeping. "I doubt very seriously that it has any impact," he said.

He evaded questions about the possibility of a U.S. invasion, saying he expected the tightened sanctions would work.

Mr. Clinton declared that the new measures had one purpose: "The message is simple: Democracy must be restored. The coup must not endure."

The measures were added to a sweeping United Nations interna-

tional oil, arms and trade embargo imposed last month.

Mr. Jonassaint, 81, did not refer directly to Mr. Clinton or the United States in his rambling speech, delivered in French and Creole.

But speaking of the international community in general he said: "If they thought we had an atomic bomb they would respect us."

"Haiti does not have an atomic bomb, but it has better protectors than that," he added.

He did not elaborate but urged all Haitians to mobilize in defense of their country. He did not detail what measures would be undertaken under the state of emergency.

Mr. Jonassaint was installed by the army on May 11 in a ceremony denounced by the United States and other nations as illegal. They continue to recognize Father Aristide, who was ousted by the military in September 1991.

Mr. Jonassaint said he was "ashamed" that he had voted for Father Aristide and said the elected leader did not represent democracy.

Father Aristide, a popular leftist priest, won Haiti's first free elections in December 1990 with a landslide.

Mr. Jonassaint's appointment formalized the military's break in negotiations with the United Nations for an end to the crisis.

Mr. Jonassaint's message was broadcast after state television finished showing "The Longest Day," the movie about the D-Day invasion, and a reading of Haiti's act of independence.

The army-backed government has been careful to prevent a blatant provocation of foreign powers. Radio reports, however, have indicated that the government is considering closing the airport several days before U.S. and Canadian jetliners halt commercial flights to Haiti on June 25.

Both American and Canadian embassies have urged their nationals to leave by then. (Reuters, AP)



Emperor Akihito and Empress Michiko greeting a basket maker in Charleston, South Carolina.

## 'Admirable Question,' Akihito Says

By William Booth  
*Washington Post Service*

ATLANTA — Emperor Akihito and Empress Michiko did not get through their first day of their two-week tour of the United States without being reminded that Americans have their own ideas about royalty.

At a brief reception Friday at the Martin Luther King Center for Nonviolent Action, in which once was the heart of black Atlanta, the movie about the D-Day invasion, and a reading of Haiti's act of independence.

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Both American and Canadian embassies have urged their nationals to leave by then. (Reuters, AP)

Michiko's arm. "You're welcome any time in Atlanta."

Under Japan's postwar constitution, written by U.S. occupation forces, the royal couple's role is restricted to "symbol of the state."

But their trip clearly had political overtones, as demonstrated by Mr.

Williams's polemics and by the royal couple's decision not to stop at a Pearl Harbor memorial when they visit Hawaii later in the trip.

Mostly, however, the couple's first day in the United States went as intricately as planned by the Imperial Household Agency.

## POLITICAL NOTES

### Trooper Disputes Jones Story

WASHINGTON — An Arkansas state trooper, Danny Ferguson, disputed key allegations in Paula Corbin Jones's lawsuit against President Bill Clinton, saying in court documents that Ms. Jones had praised Mr. Clinton as sexy, had volunteered her phone number and had offered to be his girlfriend.

In a six-page response to Ms. Jones's civil charges that Mr. Clinton pressured her to perform a sexual act, Mr. Ferguson confirmed Ms. Jones's assertion that he took her to then-Governor Clinton's hotel room in May 1991. But he denied he told Ms. Jones that Mr. Clinton had wanted to meet her or that he had slipped her a piece of paper with Mr. Clinton's room number. He also denied that Ms. Jones had been upset when he saw her afterward.

While Ms. Jones has portrayed herself as a low-level state employee who naively agreed to meet the governor in hopes of a better job, Mr. Ferguson said she was at first interested in a relationship, then money.

Mr. Ferguson's response revealed nothing that Mr. Clinton might have said to him, only Mr. Ferguson's conversations with Ms. Jones. That left some holes in his account of what transpired at a state conference at the Excelsior Hotel in Little Rock, Arkansas. While Mr. Ferguson denied Mr. Jones's claim that he had approached her with an invitation from Mr. Clinton, for instance, he did not explain how he had come to escort Ms. Jones to Mr. Clinton's suite.

The acknowledgment that he took Ms. Jones to Mr. Clinton's room "confirms a critical contention of Ms. Jones," said her lawyer. (WP)

### House Loves Those Freebies

WASHINGTON — House members kept up their frequent-flying ways on the tab of lobbyists

and other private interests last year even as Congress moved to impose new restrictions on what critics denounce as free vacations, often in fancy resorts.

Destinations popular with House members included back-to-back charity golf tournaments in Utah and Idaho during the congressional recess last August and a three-day conference the Tobacco Institute hosted in Palm Springs, California, 1993 financial disclosure forms showed.

Most of the 21 members who took free jaunts to the Utah Congressional Golf Challenge in Park City, Utah, sponsored by Senator Orrin G. Hatch, Republican of Utah, or the Danny Thompson Memorial Golf Tournament in Sun Valley, Idaho, or both, brought along their spouses at no extra cost. Congressional couples also predominated at the Tobacco Institute outing, which more than a dozen members attended.

Two members of the House Democratic leadership, the majority whip, David E. Bonior of Michigan, and the Democratic Caucus vice chairman, Vic Fazio of California, took their spouses along on a Fourth of July weekend trip to Cape Cod in Massachusetts and had all expenses picked up by the Washington lobbying firm of Campbell-Raupe Inc.

Under the House version of a lobbying reform bill stuck in a House-Senate conference, members of Congress would be barred from accepting free trips from lobbyists or lobbying firms, although their clients could still provide them directly. Both Mr. Bonior and Mr. Fazio supported the legislation on a 315 to 110 vote in March. (WP)

### Quote/Unquote

President Bill Clinton on the welfare reform bill that he will unveil this week:  
"This is something the Bubbas of America and the liberals can get together on." (AP)

## GI Families Fighting Wage Gap Turn to Food Stamps

By Eric Schmitt

WASHINGTON — Like other airmen at Hickam Air Force Base in Honolulu, 21-year-old Jason Edwards worries about tensions faraway in North Korea that could erupt into fighting and involve his logistics.

But Airman Edwards has more immediate concerns as well. He is worried about how to feed his wife, Beth, 22, and their two small children on his total pay and allowances of \$1,330 a month. In desperation, the Edwarses last month began drawing \$228 a month in food stamps to get by.

"It's a very tight squeeze for us," Mrs. Edwards said. "We haven't bought any steaks since we've been here, and whenever I want to cook something with ham, I substitute Spam for it."

In a trend that has senior Pentagon officials deeply troubled, an increasing number of military families are turning to food stamps to make ends meet. Three-quarters of America's enlisted forces earn less than \$30,000 a year, and the gap between civilian and military wages is growing.

To be sure, no one ever joined the military to get rich. But neither did they expect to have to go on welfare.

Military officials worry that a growing demand for food stamps and other government assistance may signal larger personnel problems in a culture that preaches self-reliance and self-discipline.

The overall number of troops on food stamps is very small and difficult to measure because the government does not track military recipients.

About 3 percent of the 1.7 million service members qualify for food stamps and 1 percent, or about 17,000, receive them monthly, according to a 1992 study by the Defense and Agriculture Departments.

Nonetheless, the Defense Department said the total value of food stamps redeemed at military commissaries increased to \$27.4 million last year from \$24.5 million in 1992, including retired military recipients.

Food donation centers are bustling at bases from Hawaii to Florida, and in Georgia's Liberty County, which serves Fort Stewart, 30 percent of the 2,400 households receiving food stamps each month are military families.

Top military officials voice concern that Pentagon budget cuts affecting pay could impair both morale and retention of service personnel. The Clinton administration tried to freeze

military salaries this year and increase them only by 1.6 percent for next year.

Congress instead approved a 2.2 percent increase for this year and will probably approve a 2.6 percent raise for next year, but neither raise will keep pace with inflation, which is about 3 percent.

"We cannot expect service members to lay their lives on the line when back home their families have to rely on food stamps to make ends meet," said Admiral William Owens, the deputy chairman of the Joint Chiefs of Staff.

The huge majority of service members on food stamps are sergeants or below in the army, Marine Corps and air force and petty officers or below in the navy. The families usually have more than two children, and the spouse does not work. Very few officers qualify for food stamps.

In a culture that promotes a fierce ethic of taking care of one's own, soldiers' reluctant embrace of food stamps and other financial assistance has wounded military leaders.

"We've always told our soldiers that we'll provide for them a quality of life that's at least equal to the civilians for whom they serve," Richard Kidd, the sergeant major of the army, the senior enlisted soldier, said in an interview. "It's getting tough to do that now."

## AMERICAN TOPICS

### Scamers That Err At Checkout Counter

A growing number of consumers are complaining about frequent errors on the electronic scanners used by retailers to ring up prices. The Washington Post reports. Many experts say it is costing consumers more than \$1 billion a year.

Other scattered studies have found error rates ranging from 2 percent or 3 percent to 15 percent, depending on the store, the kind of merchandise and whether the items were on sale or regularly priced.

"It's a problem wherever we've looked," said Ken Butcher, U.S. weights and measures coordinator for the National Institute of Standards and Technology.

Retailers say the mispricing is not deliberate. They cite the huge quantity of numbers that must be entered into the electronic systems as the cause. Mr. Butcher attributes the problem to sloppy practices. Some consumer advocates say retailers are intentionally cheating customers. Travis Plunkett, a lobbyist for the New York Public Interest Research Group, says, "Some store managers are using them to pad their profit margin."

Ultimately, according to most experts, the most important pricing-checking mechanism is an alert consumer. In fact, the more careful the shoppers, the fewer errors made by the retailers.

### About People

Gavin Whitsett, the author of "Guerrilla Kindness — A Manual of Good Works, Kind Acts and Thoughtful Deeds," was mugged by three teen-agers while riding his bicycle through a park in Evansville, Indiana. "Tonight, because I was beaten, I stood in special need of the kindness of strangers," Mr. Whitsett, 49, said through a tortured lip. He thanked the police officers and hospital staff members who helped him. As for the

teens: "They could have taken my bicycle," he said. "That's good news."

### Short Takes

Rules for members of car pools, suggested by The New York Times, include:

- Drivers shall keep their back seats clear of dirty laundry, Burger King containers and empty beer cans.

- For passengers, never make remarks like "That puddle sure looks like oil to me." "What's that strange sound coming from your engine?" or "Isn't that a new dent?"

- Quick stops" for dry cleaning are expressly forbidden.

- Commuters must never ask other commuters "for legal, medical or investment advice."

Eat more calcium, says a panel of experts convened by the National Institutes of Health. They said optimal calcium intake is just as critical for children and young adults, including men, as it is for older women, who are especially vulnerable to the brittle bone disorder known as osteoporosis. The panel says "billions" of people in the United States are not getting enough calcium in their diets. An eight-ounce (25 centiliter) glass of milk provides about 300 milligrams of the current recommended optimal intake of 1,200 to 1,500 milligrams a day.

Among the stars of a big new MGM musical, "That's Entertainment III" are Judy Garland and Fred Astaire, James Dean and Marilyn Monroe and featured in ads for kohl clothing. A Jimi Hendrix album is on the Billboard chart of best-sellers. "There may be no second acts in American lives," Jim Koch reports in The New York Times, "but after the third-act curtain falls, there is a fourth. And it's a big box office." It also matches the heirs of dead celebrities. Many states, including California, now have laws protecting the rights to use famous names. So in many such cases, "death is a great career move."

Gem of the Day, from the Ann Landers advice column: Never put off until tomorrow what can be avoided altogether. International Herald Tribune.

### Car Bomb Kills 5 At Luxury Hotel In Guadalajara

Washington Post Service

MEXICO CITY — A car bomb exploded outside a luxury hotel in Guadalajara, Mexico's second-largest city, killing five people and wounding nearly a dozen.

Guadalajara has been the scene of violence between rival narcotics-trafficking organizations. A year ago, a Roman Catholic cardinal was shot and killed in what the police said was a case of mistaken identity during a battle between Mexico's two largest drug cartels.

A debutante ball was in progress at the hotel Saturday when the blast occurred. No one took responsibility for the blast.

In a separate incident last Friday, the police defused a small bomb at a gasoline station in Tuxtla Gutierrez, the capital of Chiapas state, where a peasant uprising by the Zapatista National Liberation Army has been in suspension since shortly after it began on Jan. 1.

Two car bombs exploded in Mexico City early in the conflict, causing damage to underground parking lots. Until the Chiapas uprising began, car bombs were rare in Mexico. Zapatista leaders and opposition politicians have warned of nationwide violence unless the government conducts fair presidential election on Aug. 21.

Gem of the Day, from the Ann Landers advice column: Never put off until tomorrow what can be avoided altogether. International Herald Tribune.

### Away From Politics

• A cruise ship gangway broke

from its supports at a Juneau, Alaska, dock, fatally injuring a tourist who fell into the water and hit her head on the side of the ship.

• A freight train derailed and spilled hydrochloric acid into a river at Eastland, Texas, spreading harmful fumes and forcing the evacuation of about 50 people.

• A small jet doing a low-altitude maneuver crashed and exploded over Mount Clemens, Michigan, in front of thousands of spectators at a D-Day anniversary air show. The pilot was killed. No one on the ground was injured.

• A mail-order company that peddled pills promising "new heights of sexual performance" for men, even those who are frequently impotent, was closed by a federal court in Newark, New Jersey. Authorities say the "Nitrocet HP" pills — which cost \$24.95 for a one-month supply — do not work and could aggravate kidney problems.

• A measure that would weaken some of California's tough anti-smoking laws appeared headed for the November ballot after a judge refused to allow action aimed at blocking it.

• A suspended policeman was convicted of shooting three teenagers to death in Foster, Rhode Island, including one who had filed a brutality lawsuit against him. AP

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## An Activist EU Parliament

### New MPs Will Press for Deeper Integration

By Tom Buerkle

*International Herald Tribune*

BRUSSELS — The campaign for the European elections on Sunday was easy to ignore, but the new European Parliament will be anything but.

Leaders of the new Euro MPs are determined to wield the enhanced powers given to the Parliament last year by the Maastricht Treaty, beginning with the approval this fall of a new European Commission, the executive agency of the European Union.

More importantly, in the long run the new Parliament will lend a powerful voice for deeper EU integration in the run-up to 1996 intergovernmental conference, which will reform the bloc's institutions to work for a Union likely to grow from today's 12 member countries to 20 or more.

The two biggest party groupings in Parliament, the Socialist bloc and the Christian Democrat-dominated European People's Party, believe their activism will correct what some see as a lack of democratic foundations in the Union, which they say is to blame for the public's rising disengagement with European cooperation.

"The major issue is to open up the Union to proper democratic control and scrutiny," said Pauline Green, leader of the Labor Party candidates that were projected to dominate Britain's representation in the new Parliament.

Dismissing the relevance about *Europe's integration* espoused by Prime Minister John Major's Conservatives, she added: "The people want a Europe that is about them — that isn't just a deregulated free-trade area."

That theme got further support on Sunday with the overwhelming endorsement by Austrian voters for their country's entry into the Union next Jan. 1. The surprisingly

strong 66 percent vote in favor was expected to give a strong boost to membership supporters in Finland, Sweden and Norway, which will hold referenda in October and November. All four of those countries will bring to the Union their traditions of active government, especially in the areas of health, environmental, labor and social welfare standards.

Mrs. Green's call for more democracy and European integration will carry great weight because she was expected to have the strongest

#### NEWS ANALYSIS

voice in the new Parliament. She is widely tipped to become the leader of the Socialist group.

The new body will set a notable democratic milestone. As a result of unification — which swelled Germany's EU-leading population to 80 million, nearly a third more than Britain, Italy or France — German voters will send 99 members to the new Parliament, compared with 87 for the other big members. It will be the first EU institution to give Germany a greater weight than the other large states.

That is a key precedent at a time when many EU officials are calling for the 1996 conference to introduce some form of population-based voting rights in the EU Council of Ministers. The representatives of national capitals that makes the bloc's major decisions. Over all, the new chamber will have 567 members, up from 518.

Like its predecessors, the new Parliament is likely to take its strongest stance in defense of its own growing powers, the issue that unitates all party groups.

Mrs. Green said that would begin this fall with a close scrutiny of nominees for the new European

Commission, which will succeed the commission headed by Jacques Delors in January.

She criticized the current backroom maneuvering among EU leaders over Mr. Delors's successor, which has Prime Minister Jean-Luc Dehaene of Belgium vying with Prime Minister Ruud Lubbers of the Netherlands.

"It's a nonsense that the president of the European Commission should be decided in this way, wheeling and dealing between politicians," she said.

In addition, legislators are determined to have a real voice in the next stage of EU reforms, a voice that they lacked when the Maastricht Treaty was drawn up three years ago.

Wilfried Martens, the former Belgian prime minister who heads the European People's Party, said one of Parliament's top issues would be to ensure that it gives citizens a say in preparations for the 1996 intergovernmental conference.

EU leaders are expected to agree at their meeting in Corfu, Greece, later this month to set up a panel of national representatives to prepare the conference agenda, and Germany is demanding that Parliament be given two seats at the table.

Whether Parliament can unite on such policy issues as employment is less clear. The Socialists have cooperated with the European People's Party in the past but appear less inclined to do so in the future, especially if Silvio Berlusconi's Forza Italia joins the Christian-Democratic bloc.

The Socialist group are very unhappy working with people who are in alliance with Fascists. Mrs. Green said, referring to Mr. Berlusconi's Italian partners, the right-wing National Alliance.



Chancellor Helmut Kohl right, waiting his turn to vote Sunday in his hometown, Oggersheim, Germany, for the European Parliament.

#### VOTE: Wide Protest Against Unpopular Governments

Continued from Page 1

get about 14.5 percent of the vote in linguistically divided Brussels.

Ireland's main coalition government party, Fianna Fail, looked set to net seven of Ireland's 15 seats. Fine Gael, the largest opposition group, was set to take four of five seats, with the Green Party taking one.

In the Netherlands, the Christian Democrats were likely to win about 31 percent of the vote, and 10 of 25 seats, according to a preliminary

report from the state election board.

The governing Socialist Party of Prime Minister Andreas Papandreou in Greece appeared to be comfortably ahead of the conservative New Democracy party, with about 38 to 40 percent of the vote and 10 of the 25 Greek seats. But this was down from the 46.8 percent of the vote that the Socialists scored in national elections in October.

In Luxembourg, results in national elections pointed to a corresponding victory of the governing Social Christian Party in the European election. Jacques Delors, president of the European Commission, said that voter abstention was "something for governments and us to think about."

In Britain, Prime Minister John Major was expected to suffer one of the worst political defeats in memory after the governing Conservatives lost in five by-elections on Thursday. Polls indicated that the Conservatives, who had 32 seats in the last Parliament, would do well to get double figures.

European Socialists, the largest political group in the old Parliament, predicted they would make small gains in the new assembly, which has 567 seats instead of 518 to accommodate the entry of former East Germany into the European Union.

The Socialists estimated they would have 203 to 212 seats com-

pared to 130 seats for the center-right European People's Party, which had 162 seats in the outgoing assembly.

Although the Treaty on Europe, which came into effect Nov. 1, was widely criticized for an excess of bureaucracy and a deficit of democracy, many citizens failed to grasp the opportunity to vote, or voted on purely national issues. Apathy was rife in virtually every country, yet outside the Union, Austrians voted by a large majority to join the EU on Jan. 1.

Jacques Delors, president of the European Commission, said that voter abstention was "something for governments and us to think about."

New ballots were brought in two hours after the start of polling, but officials said there was no way of allowing those who had used the wrong ballots to vote again.

In great secrecy, Sosus tracked a submerged Soviet submarine in 1986 as it shattered all previous speed estimates for its class by chasing the aircraft carrier Enterprise across the Pacific.

At the Cold War's end, the navy began to share the elaborate system with civilian researchers. In 1991, federal scientists in Newport, Oregon, began to use Sosus to listen to sea quakes, quickly detecting thousands of them.

In 1993, the scientists monitored

the explosive fury of a deep-sea volcanic eruption and sent a small flotilla of research ships, robots and submersibles to explore the site.

In 1992, the navy, the National Marine Fisheries Service and the Coast Guard used Sosus to track fishing vessels in the Pacific to explore possible enforcement of international bans on drift-net fishing.

From 1992 to 1993, biologists used Sosus to track the migrations of whales, including a single blue whale as it swam southward from Cape Cod to Bermuda, to Florida and back to Bermuda, a trek of 1,700 miles (2,800 kilometers).

"After today I have the feeling that Europe has become even more European," the former Dutch foreign minister added.

His fellow commissioner, Karel van Miert, of Belgium, said the size of the vote was particularly good news.

"I think it's an excellent sign because it went far beyond what was expected," he said. "It will be a positive signal as two thirds of the population gave a clear sign."

(AP, Reuters)

## Rabbi Menachem Schneerson, 92, Dies

*The Associated Press*

NEW YORK — Rabbi Menachem Schneerson, the charismatic who built the Lubavitcher sect into a major force in Judaism, died Sunday. He was 92 years old.

Rabbi Schneerson, whose most fervent followers believed he would be revealed as the Messiah, was the seventh in a dynastic line of Lubavitcher rebbe, or grand rabbis, dating to 18th century Russia. He was childless and left no designated successors.

He had suffered a stroke in March 1992 and another March 10. He died as a result of the second stroke, a hospital spokeswoman said.

Rabbi Schneerson was the first Lubavitcher rebbe to receive a secular education. Under his leadership, the sect became the most outward-looking of the Hasidic groups, constructing giant Hanukkah menorahs in public places, proselytizing among less-pious Jews and televising his speeches by satellite.

As a result, the Lubavitchers became the most influential Hasidic group. The sect has more than 1,000 education and cultural centers around the globe. Estimates of the number of followers vary widely, ranging from the tens of thousands to a million or more.

Within the sect, Rabbi Schne-

son was regarded with awe. Followers consulted him on whom to marry, what career to pursue, where to live. He steadfastly insisted that the arrival of the Messiah was near. He never said so himself, but some believed he would be revealed as the Messiah.

He was the author of numerous volumes of commentary and was fluent in 10 languages. When he spoke — often for six hours at a time — his speeches were broadcast at Lubavitchers around the world and every word was published.

Rabbi Schneerson himself never visited Israel — in fact, he never left New York after 1947 — but his followers there built as their headquarters an exact replica of the headquarters in Brooklyn.

His Orthodox views and opposition to a land-for-peace deal influenced Israeli politics.

Lubavitchers lobbied heavily in 1988 for limits on the granting of Israeli citizenship to gentiles who were converted to Judaism by non-Orthodox rabbis. Other Jewish leaders criticized Rabbi Schneerson for this stance.

He was born April 18, 1902, in the Ukrainian city of Nikolaevo, son of a rabbi and a great-grandson of the third Lubavitcher rebbe. He was a prodigy, exhausting the knowledge of a series of tutors.

At age 21, he met the sixth Lubavitcher rebbe, Rabbi Joseph Isaac Schneersohn, a distant relative. In 1929, he married the rebbe's daughter Chaya Mousia. But he also took an almost unprecedented step into the secular world, studying engineering at the University of Berlin and the Sorbonne in Paris.

As the Germans engulfed Europe, Rabbi Schneerson immigrated to the United States in 1941. His father-in-law had immigrated the year before.

Rabbi Schneerson was appointed head of the sect's executive committee, overseeing its educational,

social and publishing arms. In 1950, his father-in-law died, and Rabbi Schneerson succeeded him early the following year.

Edward Kienholz, 65, Dies.

Individualistic U.S. Sculptor

Edward Kienholz, 65, whose elaborate, often macabre sculptural tableaux were savage indictments of American life, died on Friday at the Bonner General Hospital, in Boise, Idaho. He had homes and studios in Hope as well as in Berlin and Houston. The cause was heart failure, said a friend.

Mr. Kienholz was a member of a talented generation that emerged in the late 1950s in the wake of Abstract Expressionism, gradually forsaking painting in favor of sculpture. His contemporaries in time, if not sensibility, included Claes Oldenburg, Donald Judd, Dan Flavin and Robert Irwin. But while these artists were part of the relatively cool Pop or Minimalist art movements, Mr. Kienholz, who first established his career in Los Angeles, remained largely a stylistic loner drawn to heated subjects.

His work combined elements of Surrealism, Expressionism, Pop and the technique of assemblage, which he expanded to a theatrical walk-in scale. The basic unit of his art was the found object.

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# International Herald Tribune

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## Sovereignty and Trade

While the collisions between trade laws and environmental laws are sometimes real, they are manageable — both legally and politically. The new World Trade Organization is not going to subvert American sovereignty or nullify American environmental policy. The House Ways and Means Committee wisely invited Representative Newt Gingrich, the Republican whip, into its hearing on Friday at which the administration trade representative, Mickey Kantor, was testifying. Mr. Gingrich raised the sovereignty issue some time ago, and the colloquy between them served very usefully to refine the debate.

The WTO will come into existence next year, but U.S. participation depends on enactment of the trade bill. Mr. Gingrich wanted assurance that the WTO would not be able to expand its jurisdiction in the future without congressional assent. Mr. Kantor said that he would support language to prevent that. Mr. Gingrich is uneasy about Vice President Al Gore's suggestion that the WTO, once established, will begin to take an interest in not only environmental but also labor standards, neither of which is included in its present statute.

While sovereignty will remain undamaged, it is quite true that, as Mr. Gingrich said, the new trade agreement will tighten some of the constraints on the United States. That is in the nature of any agreement: one country commits itself not to do certain things in return for assurance that other countries will follow the same rule. First there was the dolphin case, and now there is the car case.

To the outrage of many environmental or-

ganizations, two trade tribunals have now found that the United States violates present trade agreements by banning foreign tuna caught with drift nets. The purpose of the ban is to protect dolphins, but the agreements disapprove of using production methods as criteria for imports. The purpose is to prevent protectionism in, say, Europe from banning American beef or soybeans because of the way they are produced. The right solution to the dolphin case, already in progress, is an international treaty outlawing drift nets.

The car case is different. It involves the fuel efficiency rules, which were written deliberately to help American manufacturers of big cars and to hurt their foreign competitors. The United States will probably lose this one. It can then either pay compensation to Europe or, better, change the law to make it neutral in its impact on foreign and domestic cars. Why should the government have to do that? To prevent other countries from doing the same thing, on a bigger scale, to American exports in their markets.

The United States exports nearly half a trillion dollars' worth of goods a year, more than any other country, and it is counting on increased exports to lift American employment and incomes through this decade. That is why it needs the WTO and the broad new trade agreement that it would administer. Mr. Kantor never tires (fortunately) of reminding Congress that the United States brings more trade complaints than any other country, and wins four out of five.

—THE WASHINGTON POST.

## Spotlight on Indonesia

Credit President Fidel Ramos of the Philippines with blunt honesty in explaining why he bowed to Indonesian pressure and canceled a conference in Manila on East Timor. "What was at stake here?" Mr. Ramos remarked to reporters. "Some 15 billion pesos (\$700 million) worth of investments, projects, enterprises and agreed partnerships or consortiums." For that consideration, the Philippine government prohibited foreigners from taking part in the Manila meeting, barring Danielle Mitterrand, wife of the French president, and deporing the Irish Nobel Peace laureate Mairead Maguire. This mess of portage has apparently satisfied the Suharto regime in Jakarta, which wishes that everybody would forget its lawless grab of 1975 of the former Portuguese colony of East Timor.

As many as 200,000 people there have perished since Indonesia's seizure and annexation. One can fault Mr. Ramos for yielding to Indonesia's economic threats, but the greater blame and the larger guilt lie with Manila's powerful

and bullying neighbor. Still, there is a consolidation. Indonesia's use of a 15-billion-peso club to stifle free speech in a neighboring democracy has stirred an uproar elsewhere in Asia. Instead of rendering East Timor less visible, Indonesian diplomacy has achieved the reverse, riveting attention on Jakarta's past reluctance to permit unimpeded access by humanitarian and human rights groups to a people it characterizes as content and submissive.

The reality was expressed in a message to Manila from the absent Mrs. Mitterrand, censoring Indonesia's military regime for relying on "terror, prohibition, gagging" and avoiding good-faith negotiations.

Much may be known about East Timor in July, when it will be visited by a United Nations special reporter on human rights. In trying to manage the news in Manila, Indonesia has only quickened the world's curiosity about what it seems to be hiding.

—THE NEW YORK TIMES.

## Finally a Haiti Policy

After months of ineffective fumbling and a brief, misguided lurch toward the hasty use of military force, the Clinton administration finally seems headed in the right direction on Haiti. The two new sanctions announced on Friday — banning commercial airline flights and large private financial transactions — are modest in themselves, but Washington expects other countries to reinforce these U.S. measures with their own travel and financial restrictions. Furthermore, the measures come in the wake of recently strengthened United Nations sanctions and a belated crackdown on the large flows of contraband goods reaching Haiti through the Dominican Republic.

These moves reflect the sharp shift in policy since former Representative William Gray replaced Lawrence Pezzullo last month as the president's top Haiti adviser. Sanctions will not topple Haiti's tough-minded generals, but a consistent show of U.S. seriousness just might.

Washington has not entirely ruled out force, nor should it; Haiti's rulers should not be held immune from military pressure. But invasion talk has now moved off the immediate agenda. It would be far better for Haiti and the United

States if the elected government of President Jean-Bertrand Aristide could be returned to power without the help of foreign troops.

Military intervention tempts some Americans because the ruling generals can count on no more than a few thousand military and paramilitary loyalists and have scant civilian support. But invasions can solve only military problems, not political ones. This time there can be no question of U.S. occupiers staying in Haiti for 19 years, as they did starting in 1915. Even an operation with limited aims, like organizing elections and training a new army, could lead to situations in which foreign soldiers would be responsible for restraining crowds intent on "necklacing" with flaming car tires and other forms of murderous revenge-taking. Once the generals have left and Father Aristide has been restored, Haiti's political future must remain exclusively in Haitian hands.

Thanks to a more aggressive U.S. diplomatic strategy and a more humane approach to refugees, removing those generals without outside military intervention has now become a realistic possibility.

—THE NEW YORK TIMES.

## American Third World

The "Lessons Without Borders" program launched by Vice President Al Gore in Baltimore last week is supposed to be a winning proposition for all. The idea generated by the U.S. Agency for International Development is to bring to America's poor communities some of the lessons AID has learned while operating programs in the developing world. Baltimore Mayor Kurt Schmoke volunteered his city to be AID's opening act. His reasons for doing so were candid and telling about America today.

"It is an unfortunate fact of life," said Mayor Schmoke, "that we have in certain parts of our city health problems, housing problems, that resemble those in Third World countries." Those words could have been spoken by any big-city mayor in America.

The similarities in the developing world and American inner cities and rural communities are mortifying. There are poor neighborhoods with infant mortality rates that rank right up with those countries where American aid workers are being sent. Americans think of children who die from diarrhea as being found only in countries like Bangladesh or Burkina Faso. In

America's inner cities and in rural communities, however, hundreds of children are dying or being hospitalized each year from this disease. Mr. Gore noted that only 39 percent of inner-city children were immunized against measles in 1990. Stack that up against Egypt, where AID reports a 90 percent immunization rate, or India's 80 percent or the 88 percent rate in the Philippines. The sad fact is that some of what ails the most devastated countries on earth also afflicts communities in America: illiteracy, poor nutrition, little or no prenatal care, disease, joblessness, ultimately hopelessness.

AID cannot be expected to solve problems on American soil; the law prevents that. But perhaps the agency, taking a page from the developing world, can lend a helping hand by advising hard-pressed U.S. communities how they can use techniques from the Third World to address their problems. After decades of work abroad, AID has learned many lessons. This experiment can usefully teach Americans another lesson: images of Third World deprivation are universal.

—THE WASHINGTON POST.

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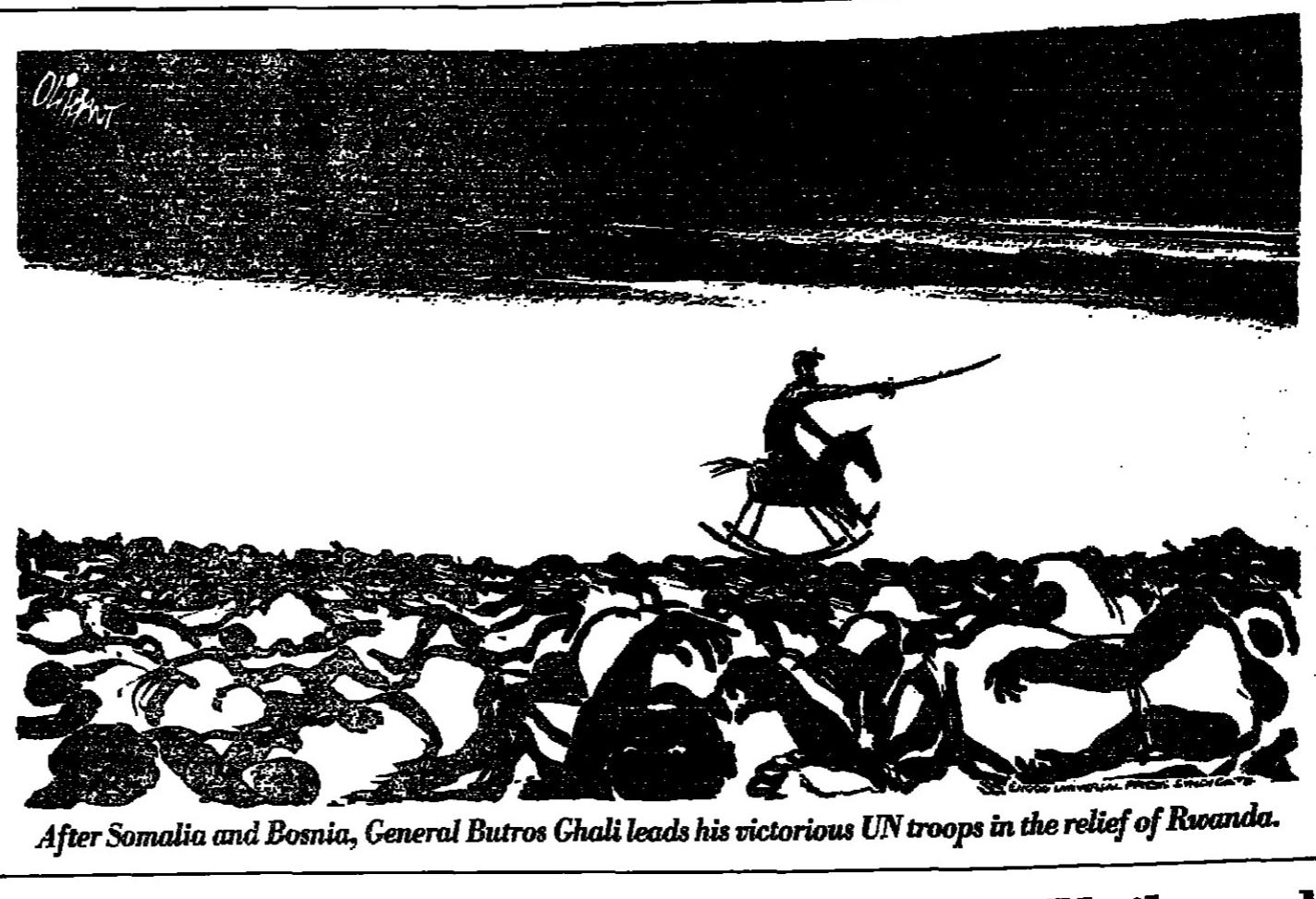
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After Somalia and Bosnia, General Boutros Ghali leads his victorious UN troops in the relief of Rwanda.

## Being Multilateral Means Not Being So Unilateral

By Jim Hoagland

WASHINGTON — Bill Clinton has set out to build international coalitions to punish and deter rogue leaders in Haiti and North Korea through sanctions and perhaps the use of force, but the coalitions are not jelling firmly. Other countries hesitate before taking risks on behalf of President Clinton's America.

The misgivings have much to do with specific problems that the neighbors of Haiti and North Korea would have in marching in lockstep with the United States if these confrontations slip into hostilities.

Some of the hesitation, however, has to do with the style and substance of foreign policy as practiced by the Clinton administration. The president's bid for international help is undercut by his penchant for letting domestic factors interfere with his conduct of foreign policy.

This has led other countries to conclude that American self-interest has become the sole driving force in American foreign policy. Without a clearer commitment to international obligations and cooperation in coalition building, the United States is not in a strong position to ask others to bear new burdens, diplomats say.

Their apprehension is strength-

ened by the defensive rhetoric that Mr. Clinton's foreign policy spokesmen have used in recent months to emphasize that U.S. resources will be used abroad only when it is clearly in American interests, with the word "American" repeatedly underlined.

That rhetoric is a reaction to the debacle in Somalia, where the administration was caught without a political goal or definition of interests commensurate with the military losses.

As a candidate and at the start of his term, Mr. Clinton put a high and urgent priority on lightening America's foreign burden. He vowed to get other nations to do more to protect international stability and promote justice abroad, and to provide leadership for a more assertive multilateralism. But that effort has stalled.

My point here is not that the president has pursued the wrong policy on North Korea, as many Republicans and some commentators argue. On the whole, the patient Clinton policy in dealing with Pyongyang has been right. (It does not differ from what the Bush administration tried to do.)

Patience has been pursued for purpose. Only by showing that it had

given Kim Il Sung every chance to remain within the Nonproliferation Treaty and to permit international inspection of nuclear facilities could Mr. Clinton reassure the public and political leadership of South Korea and Japan that America was not prodding a showdown with Mr. Kim.

Mr. Clinton's tactics have kept Seoul in step with Washington. But in Tokyo there is confusion about whether Japan will go along with a political goal or definition of interests commensurate with the military losses.

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Seoul in step with Washington. But in Tokyo there is confusion about whether Japan will go along with a political goal or definition of interests commensurate with the military losses.

As a candidate and at the start of his term, Mr. Clinton put a high and urgent priority on lightening America's foreign burden. He vowed to get other nations to do more to protect international stability and promote justice abroad, and to provide leadership for a more assertive multilateralism. But that effort has stalled.

My point here is not that the president has pursued the wrong policy on North Korea, as many Republicans and some commentators argue. On the whole, the patient Clinton policy in dealing with Pyongyang has been right. (It does not differ from what the Bush administration tried to do.)

Patience has been pursued for purpose. Only by showing that it had

given Kim Il Sung every chance to remain within the Nonproliferation Treaty and to permit international inspection of nuclear facilities could Mr. Clinton reassure the public and political leadership of South Korea and Japan that America was not prodding a showdown with Mr. Kim.

Mr. Clinton's tactics have kept

Seoul in step with Washington. But in Tokyo there is confusion about whether Japan will go along with a political goal or definition of interests commensurate with the military losses.

For China  
A Korean  
Juggler

By Michael Volpe

## Protestant Violence Is Worrying Ireland

### Backlash to Peace Move Seen

By James F. Clarity  
*New York Times Service*

DUBLIN — Guerrilla actions by Protestants from Northern Ireland operating in the overwhelmingly Roman Catholic Irish Republic have begun to worry the Irish government, senior officials say.

Life here is normal, with no evidence of increased police or army patrols. Citizens seem more concerned about the prospects of the soccer team in the World Cup than in the unerring but relatively minor spurts of Protestant violence.

But the government of Prime Minister Albert Reynolds is said to be worried that the violence — which has killed one person, disrupted train service and damaged several businesses — might hamper its efforts to advance a settlement of the conflict in Protestant-dominated Northern Ireland, where the Irish Republican Army is fighting to end British rule.

Mr. Reynolds has been striving for six months to persuade the IRA's political leaders to cease anti-British attacks in the north and enter peace talks.

He has urged Gerry Adams, the president of Sinn Fein, the IRA political arm, to accept the principles of the peace plan he announced in mid-December with Prime Minister John Major of Britain.

The plan, called the Downing Street Declaration, offers Mr. Adams a place at the negotiating table in exchange for a formal denunciation of IRA violence and a ceasefire of at least three months.

Mr. Adams has not responded, and although Mr. Reynolds has said that he expects a formal response in the next few weeks, some officials feel the sporadic Protestant violence could weaken support in Ireland for peace talks.

They feel that many Irish citizens might attribute the violence to the government's overtures to the IRA. One official said people were beginning to say of the Protestant attacks, "You brought this down on our heads."

Last month, Protestant guerrillas in Dublin tried to plant a bomb at a Sinn Fein fund-raising rally, killed a doorman and escaped.

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A Tajik border guard dismounting his donkey in Khorog. Border guards are being trained by Russian officers to patrol the Tajik-Afghan border, where fighting has taken place recently.

## Serbia Indicts a Serb for Crimes in Bosnia

By Roger Cohen  
*New York Times Service*

SABAC, Yugoslavia — In the first case of its kind since the war in Bosnia began more than two years ago, the district court in this tranquil Serbian provincial town has indicted a Serb on war crimes charges, including killing 16 Muslims and slicing off another's ear.

The case is the first in which Serbs, not Muslims, have prosecuted a Serb, and its potential significance is considerable. Bombed by the propaganda of state television and mesmerized by a mixture of history and myth portraying the Serbs as eternal victims, most people in Serbia have blinded themselves to the eviction and slaying of Muslim civilians in Bosnia.

Dusan Vuckovic, 31, a volunteer soldier, is accused of opening fire on a group of Muslim civilians on June 27 or 28, 1992, while they huddled in a cultural center that had been turned into a prison near the northeastern Bosnian town of Zvornik.

At the time, the indictment says, "a considerable number" of Muslims from the village of Divic had been detained in the center. The burst of fire from Mr. Vuckovic's Kalashnikov killed 16 civilians, and wounded 20 others, the Sabac prosecutor, Branislav Popovic, contends.

Mr. Vuckovic, a citizen of Serbia who joined a paramilitary group known as the Yellow Wasps at the start of the 1991 Croatian war, then moved on to Bosnia, is also accused of raping a Muslim woman in the Serbian town of Loznica in July 1992. He has been in jail in Sabac since November.

That he was a member of a volunteer paramilitary squad and that he came from Serbia,

rather than Bosnia, is consistent with accounts of the onslaught regularly provided by Muslim survivors. Serbia has always tried to portray the war as an affair of the Bosnian Serbs.

Divic, once a picturesque village on the Drina River inhabited overwhelmingly by Muslims, is now a ruin that Bosnian Serbs have renamed Sveti Stefan. Zvornik, once home to

### Most Serbs have blinded themselves to the eviction and slaying of Muslim civilians in Bosnia.

more than 4,000 Muslims, has no Muslim residents today. The town's mosques have been leveled.

This investigation was begun about six months ago, and to me it appears a fairly cut-and-dried case, unless the defendant's lawyer produces new evidence," said Vladimir Bajic, the judge who will preside at the trial, which is expected to start in September. "Of course the case has political repercussions, but I can assure you I have come under no political pressure."

But Dragoljub Dordevic, Mr. Vuckovic's lawyer, said the prosecution's case would never stand up in court. War crimes are unacceptable, he said, "but there have to be proofs, and here there are none."

He pointed to the facts that none of the

victims were named in the indictment, that no autopsies were carried out, and that the alleged crimes did not take place in Serbia, which along with Montenegro forms what is left of Yugoslavia.

He also argued that none of the witnesses cited — two fellow members of the Yellow Wasps and a guard at the cultural center — had actually seen the shooting or the severance of a Muslim's ear.

"My client was fighting for the officially proclaimed Serbian cause in Bosnia, and if he killed people, it was in the name of that cause," Mr. Dordevic said. "Now he feels he is simply being used by the authorities."

In effect, the lawyer said, Mr. Vuckovic believes that the Serbian government of President Slobodan Milosevic is using the case for a twin purpose: To distance itself from war crimes in Bosnia by showing that such crimes will be punished in Serbia, and to preempt international war crimes trials that could target the political leaders found to be responsible for what happened.

Mr. Milosevic has been inching away from the wider proponents of Serbian nationalism whom he once endorsed and armed.

A United Nations commission set up to collect evidence of war crimes in the former Yugoslavia recently handed its findings to a tribunal established in The Hague. The commission said that Serbian actions in the Prijedor region of northwestern Bosnia would probably be found in court to constitute "genocide," and that other areas, including Zvornik, revealed a similar pattern.

## Aid to Russia: 'Yawning Gap'

By Thomas W. Lippman  
*Washington Post Service*

WASHINGTON — The Clinton administration's high-profile, big-dollar program of economic aid to Russia is "simply inadequate in its strategy, its intensity and its implementation," the House majority and minority leaders have complained in a memo to President Bill Clinton's foreign-policy advisers.

Representatives Richard A. Gephardt, Democrat of Missouri, and Robert H. Michel, Republican of Illinois, said officials were following "business-as-usual" procedures in a slow-moving aid program at a time when urgent action is needed to avert political catastrophe.

Accepting much of the criticism, the administration is searching for a "czar" who could begin to deliver on Mr. Clinton's commitment to help Russia's transformation to democracy and a market economy. But the first two approached about the job, Matthew F. McHugh and Stephen J. Solarz, both former New York Democratic representatives, turned it down.

After visiting Russia in April, Mr. Gephardt and Mr. Michel concluded that "there remains a yawning gap between America's good intentions and the actual performance of our assistance programs."

In a strongly worded memo to Secretary of State Warren M. Christopher, Secretary of Defense William Perry and the White House national security adviser, W. Anthony Lake, they said that "a strong sense of urgency — of potential international crisis and our immediate obligation to avert such a crisis — is conspicuously absent in the delivery of our assistance to Russia" despite the Clinton team's repeated statements that the program is one of the administration's highest priorities.

The two House leaders said the program was "strikingly insufficient" and "at best embarrassing and at worst disastrous."

They urged the appointment of a politically powerful, high-profile coordinator who could cut red tape and get quick results.

## Sweden Is Stunned by Mass Killing

### 7 Die as Disgruntled Soldier Turns His Rifle on Rebels

*Reuters*

STOCKHOLM — The soldier accused of having carried out one of the worst massacres in Sweden's history had been thrown out of a restaurant for bothering women he later killed, witnesses said Sunday.

The 24-year-old second lieutenant, an army shooting instructor, went back to his base after being ejected from the bar in Falun, 240 kilometers (140 miles) northwest of Stockholm, put on his uniform and used his AK-47 automatic rifle to kill seven people Saturday, the police said.

The police tracked the assailant for an hour. In a brief gunfight, he was shot in the hip and stomach. His condition Sunday was described as stable.

The gunman targeted the six women, ranging in age between 19 and 29, as they left a wooded park on their way home at about 2:30 A.M. Saturday.

He opened fire, killing four. One died later and the sixth woman survived with serious wounds, the police said. He then turned his weapon on a man in a car and a man on a bike. Both were killed.

A police spokesman said the soldier is charged with murder and attempted murder. The police would not name him, although they said he had admitted the killings. The killing of seven people was the worst death toll in Sweden this century.

Fredrik Skarling, a soldier from the same base, was one of the first on the spot. "At first I thought it was some kind of absurd joke," he said. "It was like something out of a horror movie."

The group of women were also based near the Falun military camp. They had been attending a week-

long military education course as civilians and had been celebrating the end of their course.

Tommy Hedberg, a security attendant at the Garbo restaurant, told the Swedish daily Dagens Nyheter that he had thrown the soldier out just after midnight.

Witnesses in the restaurant said he argued with one of the girls he later killed. The newspaper said she may have formerly been his girlfriend.

The suspect's lawyer, Gunnar Lundgren, said on radio his client may have been influenced by medicine he was taking and, in addition, his relationship with one of the women.

After being thrown out, the lieut-

## North's Forces Close In On South Yemen Port

*The Associated Press*

MEIFAH-HAGR, Yemen — Northern forces have closed in on Mukalla, a key southern port, after tightening their hold on the Indian Ocean coast that separates that city from the south's secessionist capital, Aden.

Rival forces exchanged heavy artillery and small-arms fire over the weekend in the arid mountains and palm-fringed plains around this village, about 50 kilometers (30 miles) east of Mukalla. The fighting continued despite three announced cease-fires last week.

The battle for Mukalla involved

the closest ground combat apparent so far in the five-and-a-half-week conflict, which up to now had been



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## **WEEKLY INTERNATIONAL BOND PRICES**

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and other factors. June 19

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**Canadian Dollars**

## **NASDAQ NATIONAL MARKET**

**OTC Consolidated trading for week ended Friday, June 10.**

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# F I N A N C E S

International Herald Tribune, Monday, June 13, 1994

Page 9

## CAPITAL MARKETS

### French Convertible Bonds Get Caught in Undertow

By Guy Collins  
Bloomberg Business News

**P**ARIS — Slumping stocks and soaring bond yields in France have not only burned investors and shaken government treasuries, they have also silenced the country's once-vibrant market for convertible bonds. With European markets gripped by inflation fears and the recovery here coming to life only slowly, brokers say that investors have scurried for cover and that there is little hope for significant new sales of convertible bonds, which allow buyers to convert their debt to equity, before September at the earliest.

"New issues have completed ground to a halt," said Philippe Bostyn, convertible bond specialist at the Didier Philippe brokerage house in Paris. "Convertibles have suffered because they are linked both to what stocks and bonds are doing."

The change is significant. A total 20 billion francs (\$3.5 billion) of new convertible bonds were sold in France in the first three months of this year, nearly matching the 20.5 billion francs sold in the whole of 1993. That increased the total volume of French convertible bonds in circulation by 20 percent, to 120 billion francs.

But the steep slide in stock prices in March and the subsequent jump in bond yields knocked the wind out of the market at the start of the year.

Convertible bonds, which can be exchanged for stock at a fixed ratio, are popular with French investors because they combine the relative safety of bonds with the capital-gains potential of stock. The capital gains of convertible bonds, unlike stocks, are not taxed under French law.

Because of these advantages to investors, convertible bonds can carry low interest rates, which makes them attractive to borrowers. Several major companies — notably the telecommunications and engineering company Alcatel Alsthom, the tiremaker Compagnie Générale des Établissements Michelin SCA and the carmaker PSA Peugeot Citroën SA — rushed into the market in the early part of this year, eager to take advantage of the opportunity for cheap funding.

The three companies alone accounted for 12.5 billion francs of convertible bond sales, or 63 percent of the total, with Alcatel Alsthom raising 5 billion francs, Peugeot 4 billion francs and Michelin 3.5 billion francs.

Other major borrowers included Finaxa, the financial holding company of insurance company Axa SA, which raised 2.2 billion francs; the re-insurer Scor, which raised 1.47 billion francs; the credit institution Unibail, which raised 1.25 billion francs; and the advertising agency Euro-RSCG, which raised 1 billion francs.

But the very heavy demand from borrowers exhausted investors'

See BONDS, Page 11

Carl Gewirtz is ill.

## THE TRIB INDEX

International Herald Tribune  
World Stock Index, composed  
of 280 internationally investable  
stocks from 25 countries,  
compiled by Bloomberg  
Business News.

Week ending June 10,  
daily closings.  
Jan. 1992 = 100.

North America

Europe

Latin America

Industrial Sectors/Weekend close

Energy

Utilities

Finance

Services

North America

Europe

Latin America

Industrial Sectors/Weekend close

Capital Goods

Raw Materials

Consumer Goods

Miscellaneous

North America

Europe

Latin America

Industrial Sectors/Weekend close

Energy

Utilities

Finance

Services

North America

Europe

Latin America

Industrial Sectors/Weekend close

Energy

Utilities

Finance

Services

North America

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North America



For China,  
A Korean  
Juggler

By Michael Yahuda

## New International Bond Issues

Compiled by Laurence Desvilles

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
<b>Floating-Rate Notes</b>						
Advance Bank Austria	\$250	1999	0.35	99.78	—	Over 3-month Libor. Noncallable. Fees 0.20%. Denominations \$10,000. (JP Morgan Securities.)
Corporacion Andina de Fomento's	\$125	1999	1/2	99%	—	Over 3-month Libor. Noncallable. Fees 0.20%. Denominations \$10,000. (Goldman Sachs Int'l.)
Sweden	Dkr 250	1999	Arbor 100	—	—	Interest will be 3-month Arbor, with a margin of 10%. Noncallable. Fees 0.20%. (ABN-AMRO Bank.)
<b>Fixed-Coupons</b>						
European Investment Bank	\$500	1999	6%	99.53	100.32	Noncallable. Fees 0.25%. (Nikko Europe.)
Ontario	\$1,000	2004	7 1/2	99.86	100.00	Semiannual. Noncallable. Fees 0.35%. (Salomon Brothers Int'l.)
Unilever	\$250	2004	7 1/2	100.00	99.05	Reoffered at 99.19. Noncallable. Fees 2%. (Deutsche Bank.)
Wal-Mart Stores	\$250	1999	6 1/2	101.35	99.05	Reoffered at 99%. Noncallable. Fees 1.5%. (Goldman Sachs Int'l.)
Bank of China	DM 300	1999	7 1/2	101.45	—	Noncallable. Fees 2%. (Commerzbank.)
Rabobank	DM 250	1999	6 1/2	102.05	—	Reoffered at 98.83. Noncallable. Fees 2%. (CSFB Efectenbank.)
Sweden	£100	1999	6 1/2	90.36	—	Noncallable. Fungible with outstanding issue, raising total amount to £300 million. Fees not disclosed. (Salomon Brothers Int'l.)
Crédit National	Fr 1,500	2003	7 1/2	98.20	98.30	Noncallable. Fungible with outstanding issue, raising total amount to 5.5 billion francs. Fees 0.35%. (Crédit Commercial de France.)
Istituto Bancario San Paolo di Torino	Itl. 500,000	2004	10-40	100	99.50	Exchanged in 1993 into a floating rate note paying 16 over 6-month Libor. Noncallable. Fees 2%. Increased from 200 billion lire; last 100 billion lire raised to 101.20. (Banca Bancario San Paolo di Torino.)
Raiffeisen Zentralbank	Itl. 150,000	1999	9%	101.00	—	Reoffered at 99.85. Noncallable. Fees 1%. (Banco Comercio Italiano.)
Eurofima	Fr 400	2001	7	100%	99.70	Reoffered at 99.55. Noncallable. Fees 1%. (ABN-AMRO Bank.)
SBC Finance	Fr 350	1999	6 1/2	99%	99.20	Reoffered at 99. Noncallable. Fees 1%. (SBC.)
Oesterreichische Kontrollbank	Sk 1,000	1999	9 1/2	101.05	99.25	Reoffered at 99.35. Noncallable. Fees 1%. (BBI Int'l.)
Canada Mortgage & Housing Corp.	Cs 1,000	1999	8 1/2	99.26	99.20	Semiannual. Noncallable global notes. Fees 0.25%. (RBC Dominion Securities.)
Commerzbank Overseas Finance	Cs 150	1998	8 1/2	101.14	99.20	Reoffered at 99.85. Noncallable. Fees 1%. (BBI Int'l.)
Electricité de France	Cs 125	1998	8 1/2	101.32	99.40	Reoffered at 99.92. Noncallable. Fees 1%. (Paribas Capital Markets.)
Société Nationale des Chemins de Fer Français	Cs 150	1999	8%	101.145	99.10	Reoffered at 99.52. Noncallable. Fees 1%. (Swiss Bank Corp.)
Sweden	Cs 200	1996	7 1/2	100.98	—	Reoffered at 99.88. Noncallable. Fees 1%. (Scandinavied.)
Australian Industry Development Corp.	Aus 100	2004	8%	100.15	97.15	Noncallable. Fees 2%. (Commonwealth Bank of Australia.)
Export Finance & Insurance Corp.	Aus 75	1996	7	101.07	99.50	Noncallable. Fees 1%. (Commonwealth Bank of Australia.)
Bank of East Asia	Hrs 1,000	2001	7 1/2	100	—	Semiannual interest will be 7.6% until 1996, when issue is callable or par. Thereafter 10.10%. Fees 0.45%. Denominations HK\$500,000. (Merrill Lynch Int'l.)
Abbey National Treasury Services	Y 30,000	1996	3 1/2	100.137	—	Noncallable. Fees 0.1875%. Denominations 10 million yen. (Merrill Lynch Int'l.)
American Honda Finance	Y 10,000	1997	3 1/2	100.20	—	Interest will be 3.10% until Oct. 1995, when issue is callable or par. Thereafter 3.94%. Fees 0.20%. Denominations 10 million yen. (Merrill Lynch Int'l.)
LB Rheinland-Pfalz	Y 10,000	1999	3 1/2	100%	—	Noncallable. Fees 0.25%. Denominations 10 million yen. (Salomon Brothers Int'l.)
Nordic Investment Bank	Y 15,000	1997	3 1/2	100.037	—	Noncallable. Fees 0.13%. Denominations 10 million yen. (Nikko Europe.)
Toyota Motor Credit Corp.	Y 50,000	1999	4	100.20	—	Noncallable. Fees 0.25%. Denominations 100 million yen. (Nomura Int'l.)
Olivetti	Itl. 300,000	1999	3 1/2	100	—	Convertible. Comparable to 2,000 lire per share, on 8% premium. Fees 2%. Amount of issue decreased to 300 billion lire from 400 billion lire, while coupon was raised to 3.94%. (Morgan Stanley Int'l.)

## BONDS: Convertibles Swamped

Continued from Page 9

ability to subscribe to new issues, while the slide in bond and stock markets sparked by rising U.S. short-term interest rates and the gathering inflationary fears has put a halt for the time being to funding-raising on the market.

"Companies were getting too greedy, and the Alcatel issue, which was too expensive and too big, ended the run," Mr. Bostyn said.

Investors have lost money on convertible bonds this year, although to a lesser extent than on other major markets. The EFCI 25 convertible bond index, calculated by the Paris brokerage Exane and based on 25 key bonds, has fallen 5.2 percent since the start of the year, while a rival index by Dider Philipe has shown a 9 percent drop. That compares with a 12.7 percent decline in the CAC-40 French blue chip stock index and a 10.7 percent drop in French 10-year government bond futures.

"Investors generally are having a really hard time," said Esther Baroudy, bond economist at Crédit Lyonnais in Paris. "We're seeing incredibly high yields on 10-year bonds and the equity market has dried up, and these conditions are hitting convertible bonds as well."

Foreign investors, who never enjoyed full tax benefits, have been particularly reluctant to buy French convertibles recently.

"Unless we can expect a higher return from buying a convertible than a straight equity, we wouldn't buy it," said Anna Brown, French investment manager at Fleming International Management in London. "We expect more performance from equities."

## BALSAM: Banks Claim Priority

Continued from Page 9

Procedo, Germany's largest export-financing concern, which owes banks over 1.5 billion Deutsche marks (\$900 million),

Balsam was Procedo's biggest client. Procedo sources have said that Balsam carried out its alleged fraud by misinforming Procedo about the value of orders and presenting faked certificates from U.S. auditors.

A meeting of Procedo's creditors and shareholders aimed at halting out Procedo broke down late last week with the two sides divided over the terms of the rescue. Bankers have warned that it might not be possible to salvage Procedo.

■ **Spiegel Alleges a Scam**

The magazine said that Werner Dieter, chief executive of Mammesmann AG, for years pocketed "millions" by routing orders to companies he

## UNION: A Woman's Fight

Continued from Page 9

which hopes to oust Chancellor Helmut Kohl from power in parliamentary elections this October. Mrs. Engelen-Keler said she feared European and global liberalization undermines the effectiveness of individual countries' labor movements and warrants a drastic change in tactics.

"We need to pay more attention to international relations," she said.

The union must also present a unified front. "When you have high and rising unemployment, it's very difficult for trade unions to exercise pressure," she said. "Company payrolls are shrinking even faster than unions' membership rolls."

"It's very important that trade unions keep their unity. That's a specific strength in Germany compared to other countries."

Mrs. Engelen-Keler was born in Prague in 1943, but moved to Germany as a child. She studied economics and worked as a freelance business journalist before going to work for the council as head of the trade union council's international welfare policy department.

She served as vice president of the Nuremberg-based Federal Labor Office from 1984 until she was elected vice chairwoman of the council in 1990. In that round, she was elected with 86.5 percent of the vote.

"It will be very difficult, so there is a general consensus that it would be better to wait until 1999," Mr. Christophersen said on the eve of the annual meeting here of the Bank for International Settlements, the central bankers' central bank.

"Unless we get 3 percent growth in 1996 and more in 1997, it will be impossible," he added.

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دكتور الأصل

## Who Rules? It's the Bond Market, Stupid

By Louis Uchitelle  
*New York Times Service*

NEW YORK — "It's the economy, stupid." When James Carville coined the slogan, he meant that his client, Bill Clinton, would be well served by thumbing for a stronger economy. Mr. Clinton did and won the presidency. But now, it turns out, there are an awful lot of people who favor a weak economy.

Favor a weak economy? Who would do that? Enter that mysterious and slightly sinister entity, The Bond Market, the pre-eminent force in the economy today.

More than any other group, the bond market determines how many Americans will have jobs, whether the jobholders will earn enough to afford a house or a car, or whether a factory might have to lay off workers.

In sum, the American economy is governed by the bond market — a loose confederation of wealthy Americans, bankers, financiers, money managers, rich foreigners, executives of life insurance companies, presidents of universities and nonprofit foundations, retirees and people who once kept their money in passbook savings accounts (under the bed) and now buy shares in mutual funds.

While some would recoil at being called enemies of economic growth, the fact is that the confederation has ruled in recent months that the economy should lose strength, not gain it.

The bond market's members speak in a modologue, and their message is contract the economy, a U.S. official said. "They want the weakest economy they can have, as long as it does not go so weak that loans are defaulted."

Through the years under former President George Bush, they were quiescent. The U.S. economy was pretty weak on its own most of the time, and the bond market fraternity did not feel compelled to take action. But the surge in economic activity that started last fall got juices flowing.

With a rapidity that took the breath away, the fraternity exercised its power over interest rates, pushing them up so that people had to pay more for things like mortgages, car loans and new machinery.

After rising sharply from February to May, interest rates have leveled off for now, but inevitably the surge in economic growth so evident last winter has lost some of its bloom.

"There are other things that affect interest rates, but point number one is where is the economy going," said Paul A. Volcker, former chairman of the Federal Reserve Board. "If you have a weaker economy, you have lower rates. That is not a great world, but it is a world in which the economy is."

Mr. Clinton's administration does not aggressively challenge the bond market's preference for subdued economic growth. Officials

### U.S. CREDIT MARKETS

say the economy is still strong enough to withstand most of the recent drag from the increased interest rates.

Congress is similarly reluctant to challenge the bond market's power. Early in Mr. Clinton's term, Mr. Carville himself recognized the problem with the aphorism he had made famous. So he came up with a new one.

"I used to think that if there was reincarnation, I wanted to come back as the president or the pope or as a 400 baseball hitter," he said. "But now I would like to come back as the bond market. You can intimidate people."

Most Americans have only a rough notion of the bond market's nature. The name itself suggests financiers on Wall Street. In fact, the fraternity, which is as old as the Republic, has changed over the decades and has appeared in different eras under different names — as the Eastern banking establishment, for example, or the sound-money faction.

Some of its newest members are ordinary Americans who enter by buying shares in mutual funds that invest in bonds — and they may be unaware that they have joined such people as the bond market's collective mind.

But while more disclosure is expected from normally secretive money funds between now and the end of the quarter, industry observers and regulators said the problems appeared to be manageable and were unlikely to be widespread.

"We don't see this as a major crisis," one Securities and Exchange Commission official in Washington said Friday.

BankAmerica confirmed Friday that it injected \$17.4 million into its Pacific Horizon Prime Money Market fund in

whose various mutual bond funds have 425,000 shareholders.

What does help to make the connection is some understanding of the essential nature of the bond market. Whatever its name or its membership through the decades, one defining characteristic has endured. The bond market is a huge vault of accumulated wealth — a giant vault, so to speak, from which saved money is loaned out not for a few weeks or months, but for years at a time.

Those multi-year loans totaled more than \$10 trillion at the end of last year, according to the Fed's most recent data. That is a huge sum. If the \$10 trillion were somehow to disappear, refilling the vault would absorb the entire national income and wages and profits — for a year and a half.

The new owner is often quick to sell the \$1 million bond if inflation or the threat of it, erodes its value. That would happen if interest rates were to rise to, say, 9 percent while his bond is paying only 8 percent, or \$80,000 a year. To turn that \$80,000 into a 9 percent return for a fresh owner, he has to sell the bond for \$85,000, losing money.

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# Government Ousts Czech Fund Chief

Bloomberg Business News

**PRAGUE** — Tomas Jezek, chairman of Czech National Property Fund and chief architect of former Czechoslovakia's revolutionary "voucher privatization" plan, has resigned amid allegations of incompetence and corruption within the fund.

The leadership shuffle Friday represents a victory for the government, which has fought with the fund over control of the more than 50 billion koruna (\$1.7 billion) raised from sales of state companies since the fall of Communism in 1989.

Two of Mr. Jezek's vice-chairmen also have been dismissed and a fourth top official of the fund recently was arrested on charges he misused confidential information.

The Czech National Property Fund holds shares in all state companies set to be sold and collects money from the sales, answering to a president whose members are appointed by parliament.

"As the sales continue, the National Property Fund is becoming a more and more important financial institution," Mr. Jezek said. "You can see the jealousy of the government, which has no right to take the money and use it as part of the state budget."

## Helsinki Eases Import Tax On Energy-Industry Parts

Compiled by Our Staff From Dispatches

**MOSCOW** — President Boris N. Yeltsin has taken a step to help the beleaguered oil and gas sector by abolishing a value-added tax on some imported equipment needed by the industry.

Economic Minister Alexander N. Shokhin said the presidential decree granted the tax exemption to companies carrying out contracts concluded before January 1993. It also exempted equipment bought with credits from foreign governments or international lending agencies.

Many oil producers complained that the 20 percent value-added tax and a special 3 percent tax to fund vital sectors of the economy had made the rehabilitation of wells unprofitable. Mr. Yeltsin's order offered significant exemptions from

both taxes, which were levied on imports starting in January.

These benefits should stimulate investment and allow us to implement those projects that are already well advanced," Mr. Shokhin said. The decree must still be approved by Parliament.

In another move unveiled Saturday, Mr. Shokhin said that Mr. Yeltsin had authorized three foreign banks to join those already competing in the Russian market. One of them is Societe Generale of France; the other two are Dutch organizations but were not named.

Mr. Shokhin stressed that only banks based in countries affording reciprocal rights to Russian banks would be authorized to operate in Russia under the decree.

(Reuters, AFP)

## SHORT COVER

### Strike Looms at Daewoo Shipyard

**SEOUL** (AFP) — Union workers at Daewoo Shipbuilding & Heavy Machinery Co., South Korea's second-largest shipyard, voted over the weekend to strike after two months of wage negotiations had failed, according to reports in Sunday editions of local newspapers.

The reports said that the strike was endorsed by 59.4 percent of the shipyard's 8,300 union members.

But union leaders urged limited action, starting on Monday, before going into a full-scale strike. They are demanding a pay increase of more than 10 percent and improved working conditions.

### CSA Seeks Partner

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# MONDAY SPORTS

## Home Run Lifts Jays Over Yanks

*The Associated Press*

Devon White hit a two-run homer in the eighth inning Sunday, leading Pat Hentgen and the Toronto Blue Jays to a 3-1 victory over the visiting New York Yankees.

Hentgen (8-3), who allowed three hits over eight innings, was locked in a pitcher's duel with Scott Kamieniecki (4-2) over the first eight innings before White's homer.

In the eighth, Ed Sprague singled off Kamieniecki and pinch-hitter Rob Butler sacrificed pinch-runner

### AL ROUNDUP

Domingo Cedeño over. One out later, White hit a 2-1 pitch over the wall in right for his ninth homer.

White went 3-for-4 for the Blue Jays, who moved to within 5½ games of the first-place Yankees in the AL East. New York has lost five of its last six, and has lost four straight series.

Hentgen struck out six and walked five. Tony Castillo allowed two runners to reach in the ninth but got Randy Velarde to hit into a double play for his first save.

The Blue Jays took a 1-0 lead in the first when Paul Molitor doubled down the first-base line with two outs and scored on two wild pitches by Kamieniecki.

Jim Leyritz's two-out double to left scored Don Mattingly to pull the Yankees to 1-1 in the fourth. Mattingly walked to start the inning and took second when third baseman Sprague tumbled over the fence after catching Paul O'Neill's foul pop.

Twins 6, White Sox 2: Kirby Puckett had three hits and drove in three runs to move into the major-league RBI lead as Minnesota won at home for a four-game sweep of Chicago.

Puckett homered, singled and doubled in his first three at-bats to increase his RBI total to 63, one more than Toronto's Joe Carter.

Roger Rebollet also had three hits and scored three runs for the Twins, who have won six of their last seven.

Carlos Palido (3-5) allowed two runs and six hits in six innings. The Twins' sixth run.

■ In Saturday's game:

Yankees 9, Blue Jays 2: Jimmy Key put a halt to the Yankees' four-game losing streak with a fine pitching effort.

Key (9-1) is off to the best start by a Yankees pitcher since Tommy John went 9-1 to begin the 1979 season. He is 4-0 this season in decisions following a loss by the Yankees.

Wade Boggs hit a three-run home that capped a six-run sixth inning. Paul O'Neill and Danny Tartabull also homered.

Orioles 5, Red Sox 2: Mike Mussina became the American League's second nine-game winner and Harold Baines homered for visiting Baltimore.

Mussina (9-3) gave up five hits in 8½ innings, including Mo Vaughn's two-run double in the ninth. Alan Mills then came in and got the final out for his second save.

Twins 6, White Sox 0: Kevin Tapani pitched his fifth career shutout to lead Minnesota.

Tapani (8-2) allowed six hits to win his seventh straight start. He struck out four and walked two in his first shutout since last September.

Indians 5, Brewers 2: Sandy Alomar Jr. hit a three-run homer and Jason Grimsley pitched a five-hitter as Cleveland won in Milwaukee.

Alomar's 420-foot shot in the third and Jim Thome's 435-foot homer in the seventh were two of only four hits the Indians managed off Cal Eldred (6-7), who struck out a season-high 10 in eight innings.

Rangers 4, Rangers 2: In Arlington, Texas, Greg Gagne broke a tie with an eight-inning sacrifice fly.

Will Clark's three-run homer in the fifth gave the Rangers a 3-2 lead, but the Royals rallied in the eighth.

Gary Gaetti led off with a pinch-double and Mike Macfarlane drew a walk from Dan Smith (1-1). Pinch-hitter David Howard put down a sacrifice bunt and Jay Howell drew wildly past first, allowing Gaetti to score. After an intentional walk to Felipe Jose, Gagne drove in Macfarlane with a sacrifice fly to right. Rusty Greer's throw home was off-line.

Tom Gordon (6-4) got the win.

Mariners 6, Athletics 3: Dan Wilson's first major-league home run broke a seven-inning tie and Ken Griffey Jr. hit his 25th home for Seattle at home.

Tino Martinez and Mike Blowers also homered for the Mariners. Chris Bosio (3-7) allowed six hits, walked one and struck out five in 7½ innings.

Ron Darling (4-8) lost for the fourth time in his last five starts.

Tigers 11, Angels 5: In Anaheim, California, Kirk Gibson drove in a career-high seven runs with a grand slam and a three-run homer as Detroit won its fourth straight.

The Tigers had four homers, increasing their major league-leading total to 91, and hit at least one for 18 straight games. Tim Belcher (5-5) got the victory despite yielding eight hits, five runs and three walks.

Russ Springer (0-1) took the loss in his first start of the season.

## Italy Looks Little Like Contender With Opener a Week Away



Ramón Ramírez, left, got tripped up by two Northern Ireland players, but Mexico turned up for the World Cup with a convincing victory.

By Alex Yannis  
New York Times Service

NEW HAVEN, Connecticut — The marquee game between Italy and Ireland in the first round of the World Cup is just a week away, but the Italians seem far from being ready for their quest for a fourth world championship.

Italy, playing in its last preparatory match before its opener with Ireland at Giants Stadium, managed just a 1-0 victory over Costa Rica before a crowd of 23,547 at the Yale Bowl on Saturday afternoon. Except for the injured Paolo Maldini, Italy's coach, Arrigo Sacchi, used the players that will start against Ireland, but they showed little of what it takes to excel in the World Cup.

"We had some improvement in the second half," Sacchi said. "We're still working to improve our intensity at the right moment and the right moment is against Ireland."

Italy was outplayed for long stretches in the opening half against a team that failed to qualify for the World Cup. The uninspired play by the Azzurri limited the celebration of their fans to the minimum.

Sacchi brought in Roberto Donadoni and Daniele Massaro for the second half in place of Nicola Berti and Dino Baggio for his only changes in the game. Their entrance brought some spark to the Italians, who finally got a goal in the 63rd minute.

Giuseppe Signori, the leading scorer in the Italian League with 22 goals for Lazio of Rome last season, put in a left-footed shot from 12 yards out on the left side after a marvelous pass from Roberto Baggio.

Voted the year's best player last season, Baggio played the entire game despite a slight ankle injury, but he failed for the third game in a row to create the kind of excitement that is expected of him.

He missed two marvelous opportunities shortly after he made the pass for Signori's goal. His shot from the right sailed over the crossbar in the 65th minute and he just missed the left post from the right side five minutes after that.

One of the reasons the Italians didn't look impressive this time or in their 1-0 victory over Switzerland nine days ago — when Signori again scored the only goal — is a change in tactics by their coach.

Sacchi is trying to implement a formation of four defenders, three midfielders and three forwards, but he is having problems finding the ideal partner on attack for Roberto Baggio and Signori.

Perluigi Casiraghi, 25, the striker from Lazio, is probably the ideal man for that spot. Casiraghi scored a goal in the 2-0 victory over Finland on May 27, but did not play in the last two tune-up matches. Alberto Evansi and Berti are two of the candidates for the third spot on attack. Evansi played on the left side and was more effective than Berti, who was replaced at half-time by Massaro, another candidate for that role.

Sacchi has been criticized in the news media for his selection of players, his training methods and his tactics. Italian journalists insist that their countrymen are more effective playing with two forwards.

Although their coach played down the game with Costa Rica, it was apparent the Italians wanted to have a good showing in their final exhibition.

"We are improving," Roberto Baggio said. "I'm sure we will do well in the World Cup."

### Allenby Defeats Jiménez in Golf

*The Associated Press*

ALVESLOHE, Germany — Robert Allenby of Australia parred the third playoff hole Sunday to defeat Miguel Angel Jiménez of Spain in the Honda Open for his first triumph on the European golf tour.

They had tied at 12-under-par 276 after Jiménez missed a long putt on the 18th hole.

Both parred the first two extra holes, but Jiménez bogeyed the 449-yard (411-meter) 18th after twice hitting into bunkers. Allenby, 22, then sank a nine-foot putt for par.

Jiménez shot 70 for the last round, with Allenby shooting 69. He had led the Spaniard by a stroke throughout the round until he missed a short putt and bogeyed the 16th.

Rodger Davis of Australia bounced back from Saturday's disappointing 76 to shoot 68 and finish third at 276.

Lee Janzen, his game rounding into shape for defense of his U.S. Open title next week, shot 7-under-par 64 to a one-shot lead over second-round leader Ernie Els of South Africa into Sunday's final round of the Buick Classic in Harrison, New York.

### Mexico Bounces Back With Shutout of Northern Ireland

Compiled by Our Staff From Dispatches

Mexico has rebounded from its 1-0 loss to the United States with Luis García scoring two first-half goals during a 3-0 victory over Northern Ireland in a tune-up match in Miami.

Mexico, which plays in the group that includes Italy and Ireland, opens June 19 in Washington against Norway. The victory Saturday should give Mexico some confidence against Ireland, which plays a similar style to Northern Ireland.

It got another boost with Hugo Sánchez returning from a two-month layoff and playing the first 69 minutes at the Orange Bowl.

Sánchez, the 35-year-old forward who plays for Ray Vallecano in Spain, has been out seven weeks with a torn thigh muscle. He was Mexico's hero at the 1986 World Cup and a five-time scoring leader in Spain.

■ Bolivia and Switzerland played to a scoreless tie in Montreal, but the biggest concern for the Bolivians is the status of their best player, midfielder Marco Etcheverry. Still not fully recovered from a serious knee injury suffered during the winter, he didn't play and remains doubtful for the squad's opener Friday against the defending world champion Germany in Chicago.

Marco Pascolo, Switzerland's No. 1 goalkeeper, returned with a bandaged knee after a three-week absence and played the first half.

Stephane Chapuisat wasted several scoring chances near the end of the first half for the Swiss, who open Saturday against the United States.

■ Jong Woon Ko scored one goal and assisted on another as South Korea won its final tune-up, beating Honduras, 3-0, in Duncanville, Texas, its training site.

Forward Hwang Sun Hong, a veteran of 1990 World Cup, hurt his left knee in the match and will miss at least two days of practice.

But team officials said Sunday that No. 1 goalkeeper Choi In Young was recovering from an injury sustained in the June 5 game against Ecuador and may be ready for the team's opener against Spain on Friday night.

Korean residents of the Dallas area have tried to make the players feel at home by sending special Korean dishes and gifts to the team's hotel. There are more than 1.5 million Koreans living in the United States.

■ In Lisle, Illinois, where Spain is training, its coach, Javier Clemente, worried that South Korea may be more difficult for his team than Germany.

"Korea is the most complicated team," Clemente said. "It's the one that has progressed most in recent years and the one that could cause us most problems. They are a team that won't let you play. That's what they aim for, and that's hard to combat."

Defender Fernando Hierro, who hurt a knee last week in practice, said he'll be ready for South Korea on Friday night.

"The knee is back in perfect shape," Hierro said. "I just have to watch it over the next coming days."

In Friday's only warm-up game, Spain beat Canada, 2-0, in Montreal on goals by Julio Salinas and Juan Castaño.

■ Defender Patrik Andersson, who banged up his knee in practice Friday, was likely to miss Sweden's final tune-up Sunday against Romania.

"I don't want to risk anything tomorrow if I'm not fully fit," Andersson said in San Diego.

Midfielder Klas Ingesson practiced after missing the team's workout on Friday because of a sprained thumb.

■ Cameroon's players said in Santa Barbara, California, that they had voted to replace Stephan Tatay as captain with goalkeeper Joseph-Antoine Bell, who has been among the players asking for higher bonuses.

Bell got 14 of 22 votes while Tatay got two. Roger Mills, the 42-year-old forward, got one vote.

It is the first time the Indomitable Lions players have elected their own captain. In the past, captains usually were appointed by the minister of youth and sports.

■ In the battle of the breweries, Brazil's angry fans have forced the television networks to back down.

The country's second-largest brewery, Antarctica, had bought ad time on the Bandeirantes net-

work and the third largest brewery, Kaiser — owned by The Coca-Cola Co. — had paid for exclusive rights on Globo. The Brahma brewery, rather than pay the million-dollar fees for World Cup advertising rights on the networks, gave fans general banners to take to the stadiums.

In retaliation, the networks reduced camera angles and censored their transmissions to avoid showing the banners during matches against Canada and Honduras last week. Teams appeared to be playing with 9 players, not 11. The camera, instead of following the ball's movement, frequently avoided it by not showing certain parts of the playing fields.

Executives for the two networks said they would go back to normal camera angles for Sunday's game against El Salvador.

■ Norway's players might have thought they'd awakened in Oslo on Saturday had it not been for the Danish flag fluttering outside their hotel in Princeton, New Jersey.

On their first morning in the United States, the players were served Norwegian-style bread, baked for them by their hotel. They drank milk flown in from Norway, and chatted in Norwegian with reporters.

But then their hotel, the Scandicron-Princeton, is Scandinavian-owned. And it had a Norwegian flag waving alongside ones from the United States and Denmark.

(AP, WP)

### Maddux Is First to Win 10 As Atlanta Beats the Astros

*The Associated Press*

Greg Maddux became the first 10-game winner in the major leagues Sunday, working around 11 hits and leading the Atlanta Braves past the Astros 3-1 in Houston.

Maddux (10-2), trying to become the first pitcher to win three straight Cy Young Awards, lowered his ERA to 1.58, also the best mark in the majors.

Maddux walked none and struck out four in his fourth complete game. He was helped by three double plays.

Greg Swindell (5-3) gave up two runs and eight hits in eight innings. He struck out five and walked one. The Braves scored in the ninth off John Hendek when Roberto Kelly singled and a double by Fred McGriff, who went 4-for-4.

Dodgers 2, Cards 1: Tom Candiotti pitched a five-hitter and Mike Piazza singled home the go-ahead run in the eighth inning for Los Angeles in Chicago.

The Cards lost for the 11th time in 12 games.

Candiotti (5-2) walked none and struck out seven in his fourth complete game. He gave up a two-out double to Sammy Sosa in the ninth, but Sosa connected with two outs for a solo homer, his 14th, and Jose Hernandez added a two-run single.

Tim Wallach homered for Los

Angeles and Sosa connected for the Cards.

Pirates 5, Marlins 1: Dave Clark went 4-for-4 and drove in four runs and leading the Atlanta Braves past the Astros 3-1 in Houston.

Clark hit a two-run homer and two doubles and is 8-for-10 lifetime against Marlins starter Dave Weathers (6-5).

Lieber (2-1), a right-hander who began the season in Double-A, con-

tinued the Pirates' recent succession of strong starts, striking out three and walking three while low-

ering his ERA to 2.08.

In Saturday's game:

Cubs 7, Dodgers 4: The Cubs stopped their 10-game losing streak when pinch-hitter Kevin Roberson and Sammy Sosa homered during a four-run rally in the eighth inning.

Chicago trailed 4-3 when Roberson, batting for pitcher Willie Banks, led off the eighth with his third home run. Mark Grace hit into a double play later in the inning, but Sosa connected with two outs for a solo homer, his 14th, and Jose Hernandez added a two-run single.

Banks (7-5) gave up four runs

and eight hits in eight innings. Orei Herschiser (3-3) took the loss.

Pads 3, Giants 1: Andy Ashby pitched a four-hitter and Tony Gwynn had four hits for visiting San Diego.

